

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

**DANNY DONOHUE, as President of the Civil Service
Employees Association, Inc., Local 1000, AFSCME, AFL-
CIO, and CIVIL SERVICE EMPLOYEES ASSOCIATION,
INC., LOCAL 1000, AFSCME, AFL-CIO,**

Plaintiffs,

-against-

**DAVID A. PATERSON, as Governor of the State of New
York, NEW YORK STATE ASSEMBLY, NEW YORK
STATE SENATE, JONATHAN LIPPMAN, as Chief Judge
of the New York Unified Court System, and the STATE OF
NEW YORK,**

Defendants.

**REPLY AFFIDAVIT
OF FRANK MAURO**

**Civil Action No.
10-CV-00543 (LEK)(DRH)**

**STATE OF NEW YORK)
)ss.:
COUNTY OF ALBANY)**

FRANK MAURO, being duly sworn, deposes and says:

1. I am the Executive Director of the Fiscal Policy Institute (“FPI”), a nonprofit research and education organization that studies matters related to state and local finances. I have served as Executive Director since 1993.
2. Prior to my current position, I was Deputy Director of the Nelson A. Rockefeller Institute, the public policy research arm of the State University of New York, from December 1989 to February 1993. From November 1983 to January 1987 I served as Secretary (staff director) of the New York State Assembly Ways and Means Committee. I also served as Director of the New York State Assembly Speaker’s Program Development Group from January 1979 to November 1983, and Deputy Director of the State Assembly’s Program and Committee

Staff from December 1976 to December 1978. I was Director of the Assembly Office of Research and Analysis from January 1975 to December 1976. I also served as Director of Research for the last major revision of the New York City Charter from January 1987 to February 1990, in which capacity I oversaw a thorough analysis of New York City's budgetary process that served as the basis for the changes in the budget process ultimately adopted by New York City voters in November 1988 and November 1989.

WAGES ARE A VERY SMALL PART OF BUDGET

3. In analyzing the Governor's proposed plans to "save" General Fund money by cutting wages and postponing wage increases, it is important to note, in the first instance, that wage costs are an extremely small portion of the State budget, and that General Fund unionized wages are even less so. Efforts to curb costs in this area will therefore necessarily have a minuscule effect on the State's overall budget situation.

4. According to Executive Budget Updated February 9, 2010, the State's total expenditures in the fiscal year 2010-2011, without the Governor's proposed cuts, would be an estimated \$141.497 billion. A copy of relevant pages of the Executive Budget Updated February 9, 2010 is attached hereto as Exhibit "A", and the particular reference is at page 14.

5. Wages for all employees, including employees of the executive branch, the judiciary, and the legislature, paid from state operating funds, would be only 7.7% of the total "all funds" expenditures for 2010-2011 under the Executive Budget's 2010-2011 base. These wages were projected to be \$10.938 billion out of the \$141.497 billion total.

6. I estimate that the State-funded wages of unionized employees would be approximately 6.8% of the total State Budget base for 2010-2011 as projected; and that General

Fund wages of unionized employees would be even less – between 4% and 4.2% of the 2010-2011 budget base.

7. The Executive Budget Updated February 9, 2010, page 14, shows that the “all funds” budget is composed of five components: 1. state operations, 2. local assistance, 3. debt service, 4. capital projects (state funded), and 5. federal aid expenditures (hereinafter collectively referred to as “the budget”).

8. The wages referenced above for all State employees, \$10.938 billion, are part of the \$21.525 billion state operations portion of the budget base.

9. The largest single component of the 2010-2011 budget is “local assistance,” \$58.910 billion.

10. The other portions of the total \$141.497 billion 2010-2011 budget are (a) debt service, which is \$5.776 billion, (b) capital projects (state funded) which is \$6.449 billion and (c) federal aid expenditures which is \$48.837 billion.

11. Because General Fund union wages are only a small part of the State’s total budget, efforts directed to slash those costs will have a very limited impact on the budget situation.

THE ALLEGED WEAKNESS OF THE STATE’S CASH POSITION APPEARS INACCURATE

12. I have analyzed the Affidavit of Robert L. Megna, specifically his claim that there is a “risk” that the State will “run out of cash” some time soon if a budget is not passed (Megna Affidavit, ¶¶ 7, 12, 31, 36). Based on data that has been published by Megna’s own office in February and May of this year, as well as reports by the State Comptroller published in April of this year, it is clear that these negative claims in Megna’s Affidavit regarding the State’s cash position do not appear accurate or may be grossly exaggerated.

13. Megna states that in December of 2009, he believed there was a “significant risk” that the General Fund would run out of cash including STIP funds (Megna Affidavit, ¶¶ 7-8, 33-34). STIP funds include the unused balances available in other State funds, such as “capital funds; debt service funds; and special revenue funds” as well as “rainy day funds” (Megna Affidavit, ¶¶ 30, 39). Megna states that he has the authority to use “STIP funds” to “bolster the liquidity of the General Fund.” Megna states that his belief about the State’s cash position in December was based on a Division of the Budget (“DOB”) “estimate” on December 8, 2009 that the State would be “left with only a \$81 million cash balance” in all funds on December 11th, even after all STIP funds were used (Megna Affidavit, ¶ 33). He further states that, based on the DOB “estimate” he withheld a total of \$750 million in payments that would normally have been paid in December. He did this, he says, to protect the State’s cash position (Megna Affidavit, ¶¶ 34-35).

14. The Executive Budget Updated February 9, 2010 shows the actual balance that was in each of the State funds at the end of each month of the fiscal year through January 2010. According to the February 9th updates, the actual balance in “All Governmental Funds” at the end of December 2009 was \$2.265 billion (Exhibit “A”, p. T-62). If the State had not withheld the \$750 million in payments in December, the balance in “All Governmental Funds” would have been \$1.515 billion, close to twenty (20) times the \$81 million referenced in ¶ 33 of the Megna Affidavit. This additional cash was available to be used for General Fund purposes under STIP in December 2009, and therefore, the State had a great deal more cash-on-hand in December 2009 than it anticipated. *Id.* Megna’s claim that the State could have run out of cash in December 2009 is clearly wrong.

15. Megna also states that in March 2010 he “found that the State lacked the cash necessary to meet expenses” (Megna Affidavit, ¶ 38). He claims that this led him to delay payment of \$2.06 billion in school aid until June 1st. He further claims that “absent these measures, the State would likely have depleted its available cash in FY 2009-10.”

16. To the contrary, a report issued by the DOB on May 12, 2010 and a report issued by the Office of the State Comptroller regarding March 2010, both indicate that the General Fund ended March 2010 with cash balances of \$929 million more than had been projected in the Executive Budget Updated February 9, 2010. This difference can be seen by comparing the Executive Budget Updated February 9, 2010, and the Comptroller’s March 2010 Cash Basis Monthly Report. A copy of the May 12, 2010 DOB report is attached hereto as Exhibit “B”. A copy of relevant pages of the State Comptroller’s March 2010 Report is attached hereto as Exhibit “C”.

17. The Executive Budget Updated February 9, 2010 estimates the balances expected to be in each of the State funds at the end of each month after the publication of the report. The State Comptroller’s March 2010 Report shows that the total cash balance in the General Fund on March 31, 2010 was actually \$2.302 billion (Exhibit “C”). This is \$929 million more than the Governor’s targeted end-of-year March 31, 2010 General Fund balance. *See*, Executive Budget Updated February 9, 2010, Exhibit “A”, page T-53; *see also*, page 1 of Exhibit “B”, the May 12, 2010 Supplement, showing the “cash reserved to pay deferred payments” in the General Fund for 2010-2011 to be \$929 million.

18. The State Comptroller’s March 2010 Report shows that the total cash balance in All Governmental Funds at the end of March 2010 was \$4.860 billion (Exhibit “C”). This was

\$1.957 billion greater than the \$2.903 billion fund balance that had been projected in the DOB's February 9th update of the financial plan (Exhibit "A", page T-62).

19. Accordingly, Megna's claimed concern that the State's cash position was so weak that he had to withhold the school aid payment of \$2.06 billion, did not turn out to be accurate. In fact, the State had almost \$2 billion cash-on-hand (\$1.957 billion) at the end of March 2010, above and beyond the amount needed to make the school aid payment in March.

20. Here again, the hard facts show that Megna's claim that the State almost ran out of money in March just does not appear to be accurate.

21. For the Governor to attempt to justify the impairment of union contracts based on estimates and projections that grossly misstate the State's financial position is simply improper.

Frank J. Mauro
FRANK MAURO

Sworn to before me this
25th day of May, 2010.

Katherine E. Smail
NOTARY PUBLIC - STATE OF NEW YORK

KATHERINE E. SMAIL
Notary Public, State of New York
No. 01SM5070947
Qualified in Rensselaer County
Commission Expires 11-16-11

PL/10-0645/PSB/SAC/ks/Reply Affidavit Mauro/#147671

EXHIBIT A
TO
REPLY AFFIDAVIT
OF
FRANK MAURO

2010-11 Executive Budget Financial Plan

**Updated for Forecast Revisions and
Governor's Amendments**

2009-10 through 2013-14

**David A. Paterson, Governor
Robert L. Megna, Director of the Budget**

February 9, 2010

TABLE OF CONTENTS

INTRODUCTION	1
FINANCIAL PLAN AT-A-GLANCE	2
GAP-CLOSING PLAN AT-A-GLANCE	3
PART A - REVISIONS TO THE EXECUTIVE BUDGET FINANCIAL PLAN	4
Forecast Revisions	5
Additional Gap-Closing Actions/Executive Budget Amendments.....	5
PART B - OVERVIEW OF AMENDED EXECUTIVE BUDGET FINANCIAL PLAN	7
Update on Budget Gaps (Before Actions)	7
Amended Executive Budget Financial Plan	10
Explanation of Gap Closing Plan.....	15
Other Matters Affecting the Financial Plan.....	21
Economic Outlook	26
PART C - OUTYEAR FINANCIAL PLAN PROJECTIONS (2011-12 THROUGH 2013-14)	29
PART D - YEAR-TO-DATE OPERATING RESULTS	39
PART E - LOCAL GOVERNMENT IMPACTS	42
FINANCIAL PLAN TABLES AND ACCOMPANYING NOTES	45

FINANCIAL PLAN PROJECTIONS

INTRODUCTION

The State Constitution permits the Governor to amend his Executive Budget within 30 days of its submission. Legislation enacted in 2007 provides that, to the extent practicable, such amendments now be made within 21 days. On February 9, 2010, the Governor submitted amendments to the Executive Budget for 2010-11.

The Financial Plan projections set forth herein reflect the impact of the Governor's amendments, as well as revisions to the multi-year forecast of receipts and disbursements based on updated information through January 2010. The Financial Plan information is organized in the following parts:

- **Part A** summarizes the forecast revisions and amendments that have been made to the Governor's Executive Budget Financial Plan dated January 19, 2010.
- **Part B** provides a comprehensive overview of the Executive Budget Financial Plan, as amended. It summarizes the impact of the budget on key fiscal performance measures, describes current and projected operating results before and after implementation of the Executive Budget recommendations, and provides an assessment of budgetary risks.
- **Part C** summarizes the outyear financial plan projections (2011-12 through 2013-14).
- **Part D** summarizes preliminary, unofficial operating results through January 2010.
- **Part E** summarizes the impact of the amended Executive Budget on local governments.

The Financial Plan projections are subject to complex economic, political, and social forces that can adversely affect State finances, as well as to specific transaction risks that are part of any budget. The projections are based on the assumption that the Legislature will enact, without modification, the Executive Budget, as updated by the Governor's amendments, by April 1, 2010.

Tables appear at the end of this Financial Plan that include (a) the General Fund, State Operating Funds, and All Governmental Funds (hereafter "All Funds") Financial Plans prepared on a budgetary basis; (b) projected monthly operating results for 2009-10 and 2010-11 by fund group and fund type; (c) Financial Plans for the General Fund and All Funds prepared on a Generally Accepted Accounting Principles ("GAAP") basis; and (d) spending by agency.

FINANCIAL PLAN PROJECTIONS

The following table summarizes the major sources of annual change. It is adjusted to account for the anticipated impact of the ARRA funding on Medicaid and school aid, and other significant cash-basis transactions that affect annual change (see notes to the table).

STATE SPENDING MEASURES: BEFORE AND AFTER EXECUTIVE BUDGET PROPOSALS (millions of dollars)							
	2009-10 Revised	2010-11 Base ¹	Before Actions		2010-11 Proposed	After Actions	
			Annual \$ Change	Annual % Change		Annual \$ Change	Annual % Change
Local Assistance:	53,029	58,910	5,881	11.1%	53,973	944	1.8%
School Aid ²	<u>20,385</u>	<u>21,468</u>	<u>1,083</u>	<u>5.3%</u>	<u>19,939</u>	<u>(446)</u>	<u>-2.2%</u>
School Aid Without ARRA Funding	21,643	22,406	763	3.5%	20,848	(795)	-3.7%
ARRA Funding	(1,258)	(938)	320	-25.4%	(909)	349	-27.7%
STAR	3,419	3,421	2	0.1%	3,208	(211)	-6.2%
Other Education Aid	1,606	1,608	2	0.1%	1,475	(131)	-8.2%
Medicaid (incl. administration) ³	<u>11,364</u>	<u>12,901</u>	<u>1,537</u>	<u>13.5%</u>	<u>11,152</u>	<u>(212)</u>	<u>-1.9%</u>
Medicaid Without Enhanced FMAP	14,566	15,784	1,218	8.4%	15,095	529	3.6%
Enhanced FMAP	(3,202)	(2,883)	319	-10.0%	(3,943)	(741)	23.1%
Public Health/Aging/Insurance	2,512	2,627	115	4.6%	2,353	(159)	-6.3%
Higher Education	<u>2,822</u>	<u>2,633</u>	<u>(189)</u>	<u>-6.7%</u>	<u>2,411</u>	<u>(411)</u>	<u>-14.6%</u>
Higher Education	2,522	2,633	111	4.4%	2,411	(111)	-4.4%
2008-09 CUNY Payment Deferral ⁴	300	0	(300)	-100.0%	0	(300)	-100.0%
Mental Hygiene	3,285	3,517	232	7.1%	3,469	184	5.6%
Social Services	3,084	3,393	309	10.0%	2,964	(120)	-3.9%
Local Government Assistance	1,085	1,094	9	0.8%	768	(317)	-29.2%
Transportation	3,833	4,559	726	18.9%	4,509	676	17.6%
2009-10 Payment Deferrals ⁵	(880)	880	1,760	-200.0%	880	1,760	-200.0%
All Other	514	809	295	57.4%	845	331	64.4%
State Operations:	20,436	21,525	1,089	5.3%	20,427	(9)	0.0%
Wages/Fringe Benefits	15,224	16,095	871	5.7%	15,339	115	0.8%
Personal Service:	<u>10,802</u>	<u>10,938</u>	<u>131</u>	<u>1.2%</u>	<u>10,483</u>	<u>(324)</u>	<u>-3.0%</u>
Executive Agencies	5,227	5,425	198	3.8%	5,106	(121)	-2.3%
Exec. Agencies - Retroactive Settlements ⁶	320	0	(320)	-100.0%	0	(320)	-100.0%
SUNY	3,310	3,293	(17)	-0.5%	3,162	(148)	-4.5%
Judiciary	1,539	1,547	8	0.5%	1,547	8	0.5%
Legislature	170	165	(5)	-2.9%	165	(5)	-2.9%
Department of Law	126	118	(8)	-6.3%	115	(11)	-8.7%
Audit & Control	115	116	1	0.9%	114	(1)	-0.9%
Collective Bargaining Reserve	0	274	274	100.0%	274	274	100.0%
Fringe Benefits:	<u>4,417</u>	<u>5,157</u>	<u>740</u>	<u>16.8%</u>	<u>4,856</u>	<u>439</u>	<u>9.9%</u>
Pensions	1,145	1,736	591	51.6%	1,519	374	32.7%
Health Insurance	2,788	3,056	268	9.6%	3,010	222	8.0%
All Other Fringe Benefits	484	365	(119)	-24.6%	327	(157)	-32.4%
Non-Personal Service/Fixed Costs	5,212	5,430	218	4.2%	5,088	(124)	-2.4%
Debt Service	4,922	5,776	854	17.4%	5,766	844	17.1%
TOTAL STATE OPERATING FUNDS	78,387	86,211	7,824	10.0%	80,166	1,779	2.3%
Capital Projects (State Funded)	5,457	6,449	992	18.2%	6,222	765	14.0%
TOTAL STATE FUNDS	83,844	92,660	8,816	10.5%	86,388	2,544	3.0%
Federal Aid (Including Capital Grants)	49,294	48,837	(457)	-0.9%	49,741	447	0.9%
TOTAL ALL FUNDS	133,138	141,497	8,359	6.3%	136,129	2,991	2.2%

¹ Includes the value of recurring savings from the December 2009 Deficit Reduction Plan.

² State fiscal year basis. ARRA funding represents State-financed gap-closing benefit. Spending from Federal Funds will differ.

³ Department of Health Medicaid spending only; excludes other State agency spending. FMAP benefit represents State Medicaid costs financed by the Federal government beyond the normal 50 percent matching rate.

⁴ A payment of \$300 million to CUNY scheduled for 2008-09 was deferred to 2009-10 as part of the 2008-09 Deficit Reduction Plan.

⁵ Carry-forward of budget shortfall achieved through management of aid payments scheduled for 2009-10 but not due by law until 2010-11.

⁶ Retroactive payments for NYSCOPBA, PBA and BCI labor settlements (\$258 million, \$42 million and \$20 million, respectively) for contract years 2007-08 and 2008-09.

CASHFLOW GENERAL FUND 2009-2010 (dollars in millions)													
	2009						2010						
	April Actuals	May Actuals	June Actuals	July Actuals	August Actuals	September Actuals	October Actuals	November Actuals	December Actuals	January Preliminary	February Projected	March Projected	Total
OPENING BALANCE	1,948	2,799	37	1,027	1,013	713	2,430	1,234	157	(26)	3,268	3,642	1,948
RECEIPTS:													
Personal Income Tax	2,867	744	2,068	1,630	1,476	2,352	1,415	1,264	718	3,916	2,145	1,777	22,364
User Taxes and Fees	614	594	804	613	618	860	635	607	820	659	572	833	8,229
Business Taxes	61	(16)	1,195	35	108	1,010	155	82	918	160	126	1,854	5,688
Other Taxes	51	98	65	83	63	139	61	67	72	51	90	115	953
Total Taxes	3,593	1,418	4,122	2,361	2,267	4,361	2,256	2,020	2,528	4,786	2,933	4,579	37,234
Licenses, Fees, etc.	28	64	44	42	57	79	45	50	105	72	5	7	598
Abandoned Property	9	0	29	0	28	83	58	106	40	18	42	137	550
Reimbursements	10	11	33	10	45	45	22	9	35	9	15	28	272
Investment Income	3	0	3	1	2	1	0	0	1	1	4	9	25
Other Transactions	31	125	144	(100)	60	783	28	25	312	61	28	565	2,053
Total Miscellaneous Receipts	81	200	253	(47)	192	991	153	190	493	161	95	748	3,508
Federal Grants	5	24	0	0	16	0	0	14	0	0	0	0	68
PT in Excess of Revenue Bond Debt Service	954	185	928	542	213	953	447	121	917	1,052	333	887	7,512
Sales Tax in Excess of LGAC Debt Service	159	66	363	185	119	273	180	178	253	203	2	143	2,134
Real Estate Taxes in Excess of CWNCA Debt Service	20	12	10	(3)	16	17	18	16	16	0	6	15	143
All Other	16	193	91	37	25	8	99	1	55	118	145	1,325	2,113
Total Transfers from Other Funds	1,149	436	1,392	761	373	1,251	754	318	1,241	1,373	486	2,370	11,902
TOTAL RECEIPTS	4,828	2,078	5,767	3,075	2,848	6,603	3,173	2,540	4,262	6,320	3,514	7,704	52,712
DISBURSEMENTS:													
School Aid	588	2,730	1,892	85	514	1,349	446	1,062	1,261	484	746	6,302	17,459
Higher Education	31	15	783	58	262	75	117	371	273	30	76	709	2,800
All Other Education	50	103	148	94	60	157	536	17	48	34	109	232	1,568
Medicaid - DOH	889	614	(88)	705	739	560	564	884	636	511	648	60	6,722
Public Health	47	52	40	123	59	86	21	11	100	14	99	69	703
Mental Hygiene	13	22	371	28	32	512	151	6	373	134	137	417	2,196
Children and Families	20	157	83	148	82	231	165	78	192	132	136	350	1,775
Temporary & Disability Assistance	63	81	59	381	100	114	291	62	51	64	5	55	1,306
Transportation	0	13	5	0	22	2	0	13	1	1	0	7	64
All Other	53	1	445	39	51	229	9	43	429	82	45	(524)	902
Total Local Assistance Grants	1,754	3,768	3,738	1,661	1,921	3,287	2,300	2,548	3,354	1,486	2,001	7,677	35,515
Personal Service	748	460	515	608	563	616	628	474	562	396	389	610	6,569
Non-Personal Service	213	188	163	148	189	158	117	125	140	146	201	205	1,993
Total State Operations	961	649	678	796	752	774	745	599	702	542	590	815	8,352
General State Charges	387	4	219	268	310	214	315	290	127	459	180	1,021	3,794
Debt Service	488	92	31	14	36	258	553	0	1	160	54	9	1,896
Capital Projects	31	40	29	64	(73)	108	87	(11)	(2)	(5)	117	129	514
State Share Medicaid	238	208	52	283	165	181	240	131	323	171	181	205	2,388
Other Purposes	118	80	30	33	37	54	129	60	108	34	17	117	818
Total Transfers to Other Funds	875	420	142	404	165	601	1,009	180	431	360	369	460	5,416
TOTAL DISBURSEMENTS	3,977	4,840	4,777	3,089	3,148	4,886	4,388	3,617	4,624	2,847	3,140	9,973	53,287
Excess/(Deficiency) of Receipts over Disbursements	851	(2,762)	890	(14)	(300)	1,717	(1,196)	(1,077)	(362)	3,473	374	(2,269)	(575)
CLOSING BALANCE	2,799	37	1,027	1,013	713	2,430	1,234	157	(209)	3,268	3,842	1,273	1,373

CASHFLOW
ALL GOVERNMENTAL FUNDS
2009-2010
(dollars in millions)

	2009	2010											
	April Actuals	May Actuals	June Actuals	July Actuals	August Actuals	September Actuals	October Actuals	November Actuals	December Actuals	January Preliminary	February Projected	March Projected	Total
OPENING BALANCE	4,586	5,959	2,886	3,514	4,058	4,404	3,583	3,389	2,832	2,265	6,642	6,173	4,586
RECEIPTS:													
Taxes	5,156	2,216	6,809	3,502	3,375	6,404	3,431	3,755	6,411	7,359	4,356	6,205	58,779
Miscellaneous Receipts	1,458	1,595	1,775	1,350	1,686	2,874	1,572	1,509	2,173	1,692	1,605	3,094	22,383
Federal Grants	2,972	3,350	3,217	3,994	3,725	3,413	4,724	3,380	4,652	3,239	3,862	9,320	49,048
TOTAL RECEIPTS	9,586	7,161	11,801	8,846	8,786	12,691	9,727	8,644	13,236	12,290	9,823	18,619	131,010
DISBURSEMENTS:													
School Aid	850	3,231	2,202	291	646	3,418	689	1,290	1,648	937	1,083	8,356	24,641
Higher Education	31	15	783	58	262	75	117	371	273	30	125	785	2,925
All Other Education	121	165	208	140	81	178	596	56	95	169	202	959	2,970
STAR	1	0	696	1	0	221	12	53	1,997	432	0	6	3,419
Medicaid - DOH	3,328	3,229	2,459	3,497	3,298	3,715	3,285	3,161	3,656	2,409	3,720	3,728	39,485
Public Health	211	62	250	370	249	264	213	255	307	156	419	572	3,328
Mental Hygiene	96	86	506	158	142	641	337	65	529	253	238	653	3,702
Children and Families	21	248	215	175	246	327	205	185	271	153	205	554	2,805
Temporary & Disability Assistance	121	185	307	665	420	311	791	233	683	253	254	740	4,963
Transportation	44	306	196	140	338	153	132	1,023	819	203	326	183	3,865
All Other	208	254	577	349	240	643	146	190	604	304	440	(290)	3,665
Total Local Assistance Grants	5,032	7,783	8,399	5,842	5,922	9,946	6,523	6,882	10,882	5,299	7,012	16,246	95,768
Personal Service	1,310	969	945	1,137	1,051	1,321	1,247	991	1,171	975	1,023	1,256	13,396
Non-Personal Service	505	435	526	426	427	539	498	404	521	488	699	1,068	6,536
Total State Operations	1,815	1,404	1,471	1,563	1,478	1,860	1,745	1,395	1,692	1,463	1,722	2,324	19,932
General State Charges	469	392	392	293	361	386	503	401	346	509	280	1,450	5,782
Debt service	553	196	214	86	209	701	637	76	421	295	498	1,036	4,922
Capital Projects	337	456	488	505	466	619	509	443	460	379	786	1,286	6,734
TOTAL DISBURSEMENTS	8,206	10,231	10,964	8,289	8,436	13,512	9,917	9,197	13,801	7,945	10,298	22,342	133,138
OTHER FINANCING SOURCES (uses):													
Transfers from other funds	2,490	1,548	1,860	2,014	1,406	2,650	2,371	1,159	2,746	2,672	1,657	3,679	26,252
Transfers to other funds	(2,497)	(1,551)	(1,869)	(2,027)	(1,410)	(2,650)	(2,375)	(1,163)	(2,748)	(2,640)	(1,661)	(3,686)	(26,277)
Bond and note proceeds	0	0	0	0	0	0	0	0	0	0	10	460	470
NET OTHER FINANCING SOURCES/(USES)	(7)	(3)	(9)	(13)	(4)	0	(4)	(4)	(2)	32	6	453	445
Excess/(Deficiency) of Receipts over Disbursements	1,373	(3,073)	628	544	346	(821)	(194)	(557)	(567)	4,377	(469)	(3,270)	(1,683)
CLOSING BALANCE	5,959	2,886	3,514	4,058	4,404	3,583	3,389	2,832	2,265	6,642	6,173	2,903	2,903

CASHFLOW
ALL GOVERNMENTAL FUNDS
2010-2011
(dollars in millions)

	2010	2011											
	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	January Projected	February Projected	March Projected	Total
OPENING BALANCE	2,903	5,790	2,333	1,243	2,865	3,352	3,259	4,330	3,995	3,529	9,515	9,682	2,903
RECEIPTS:													
Taxes	5,833	2,606	6,576	3,913	3,800	6,939	4,050	3,424	7,768	9,160	4,020	5,679	63,768
Miscellaneous Receipts	1,810	1,455	1,664	1,488	1,640	2,170	1,751	1,675	1,770	1,670	1,636	2,978	21,707
Federal Grants	4,182	3,820	4,295	3,965	4,023	4,442	3,941	4,053	4,796	4,009	4,237	4,416	50,179
TOTAL RECEIPTS	11,825	7,881	12,535	9,366	9,463	13,551	9,742	9,152	14,334	14,839	9,893	13,073	135,654
DISBURSEMENTS:													
School Aid	865	3,253	2,564	363	763	3,583	882	1,392	1,667	902	1,397	6,469	24,100
Higher Education	20	20	469	82	269	182	366	27	217	49	365	511	2,577
All Other Education	210	156	235	181	117	315	153	111	463	293	279	388	2,901
STAR	0	0	408	0	0	169	27	86	2,518	0	0	0	3,208
Medicaid - DOH	3,722	3,318	3,538	2,994	3,310	3,458	3,046	3,310	3,441	3,139	3,391	2,926	39,593
Public Health	253	384	323	254	284	305	243	264	340	229	217	252	3,348
Mental Hygiene	85	96	506	170	222	589	293	94	537	272	227	805	3,896
Children and Families	117	207	148	215	211	391	160	153	394	158	162	592	2,908
Temporary & Disability Assistance	375	373	369	352	355	350	386	498	462	393	326	444	4,683
Transportation	200	609	294	232	537	232	214	582	846	207	388	200	4,541
All Other	190	183	1,499	219	207	279	165	163	398	176	174	1,224	4,877
Total Local Assistance Grants	6,037	8,599	10,353	5,062	6,275	9,853	5,935	6,680	11,283	5,818	6,926	13,811	96,632
Personal Service	1,005	1,047	1,153	1,113	970	1,304	1,099	992	1,241	1,241	938	1,025	13,128
Non-Personal Service	509	492	574	470	591	610	586	513	616	520	502	556	6,539
Total State Operations	1,514	1,539	1,727	1,583	1,561	1,914	1,685	1,505	1,857	1,761	1,440	1,581	19,667
General State Charges	499	345	409	413	343	476	451	343	499	449	304	1,768	6,299
Debt service	338	247	536	120	283	868	110	248	1,024	104	359	1,529	5,766
Capital Projects	526	543	586	611	643	622	627	636	604	648	563	1,156	7,765
TOTAL DISBURSEMENTS	8,914	11,273	13,611	7,789	9,105	13,733	8,808	9,412	15,267	8,780	9,592	19,845	136,129
OTHER FINANCING SOURCES (uses):													
Transfers from other funds	2,939	1,291	1,973	2,406	1,574	2,328	2,242	1,407	3,369	2,812	1,385	3,760	27,486
Transfers to other funds	(2,977)	(1,373)	(2,005)	(2,374)	(1,456)	(2,248)	(2,114)	(1,491)	(2,909)	(2,892)	(1,525)	(4,136)	(27,500)
Bond and note proceeds	14	17	18	13	11	9	9	9	7	7	6	466	586
NET OTHER FINANCING SOURCES(USES)	(24)	(65)	(14)	45	129	89	137	(75)	467	(73)	(134)	90	572
Excess/(Deficiency) of Receipts over Disbursements	2,887	(3,457)	(1,090)	1,622	487	(93)	1,071	(335)	(466)	5,986	167	(6,682)	97
CLOSING BALANCE (including SUNY)	5,790	2,333	1,243	2,865	3,352	3,259	4,330	3,995	3,529	9,515	9,682	3,000	3,000
SUNY	0	0	0	(655)	(646)	(799)	(778)	(737)	(663)	(640)	(577)	(623)	(623)
CLOSING BALANCE (excluding SUNY)	5,790	2,333	1,243	2,210	2,706	2,460	3,552	3,258	2,866	8,875	9,105	2,377	2,377

EXHIBIT B
TO
REPLY AFFIDAVIT
OF
FRANK MAURO

**SUPPLEMENT TO THE THIRD QUARTERLY UPDATE
TO THE ANNUAL INFORMATION STATEMENT**
Supplement Dated May 12, 2010

This is the Second Supplement to the Third Quarterly Update to the Annual Information Statement of the State of New York, dated February 15, 2010 (the "Third Quarterly Update"), and it contains information only through May 12, 2010, and should be read in its entirety, together with the Third Quarterly Update.

Financial Plan

The table below summarizes the changes to the Financial Plan projections for 2009-10 and 2010-11 since the amended Executive Budget.

Impact of 2009-10 Results on 2010-11 Budget Gap General Fund -- Savings/(Costs) Dollars in Millions			
	2009-10	2010-11	Two-Year Total
Estimated General Fund Budget Gap Before Executive Recommendations (February 2010)	(1,380)	(6,788)	(8,168)
Consensus Revenue Forecast	0	(850)	(850)
Tax Penalty Forgiveness Program	(215)	0	(215)
Other Forecast Reestimates	(39)	94	55
Gaps Before Actions to Carry-Forward 2009-10 Shortfall	(1,634)	(7,544)	(9,178)
Payment of Tax Refunds	500	(500)	0
School Aid End of Year Payment	2,063	(2,063)	0
Cash Reserved to Pay Deferred Payments	(929)	929	0
Revised General Fund Budget Gap Before Executive Recommendations	0	(9,178)	(9,178)
2010-11 Executive Budget Gap-Closing Proposals			
Executive Budget Proposal *	0	8,654	8,654
Federal Aid **		(96)	(96)
Supplemental Executive Gap-Closing Proposals	0	620	620
General Fund Budget Gap After Executive Proposals	0	0	0

* Includes the recurring value of the December 2009 Deficit Reduction Plan (\$692M).

** The estimated value of enhanced FMAP and other federal aid has been reduced by a net \$96M based on the potential impact of certain proposals under consideration by Congress and other changes.

The Executive Budget Financial Plan for 2010-11, as amended,¹ included \$8.7 billion in recommendations to eliminate a projected General Fund budget gap of \$8.2 billion for 2010-11. This projected budget gap included an estimated budget shortfall of \$1.4 billion in 2009-10 that the State

¹ 2010-11 Executive Budget Financial Plan: Updated for Forecast Revisions and Governor's Amendments, February 9, 2010. See the Third Quarterly Update to the AIS for an in-depth discussion of the Executive Budget Financial Plan.

expected to carry forward into 2010-11 through the deferral of payments scheduled for 2009-10 but not due by law until 2010-11.

Since the submission of the amended Executive Budget Financial Plan on February 9, 2010, the Division of the Budget ("DOB") has increased the projected General Fund budget gap for 2010-11 by approximately \$1 billion, to \$9.2 billion. The change in the projected budget gap reflects the impact of (a) the consensus revenue forecast for the economy and estimates of receipts for the 2009-10 and 2010-11 fiscal years, dated March 1, 2010 (the "Consensus Forecast"), and (b) a \$160 million increase in the budget shortfall for 2009-10 that was carried forward into 2010-11. As required by State law, the Executive and Legislature issued the Consensus Forecast, which concluded that tax receipts in fiscal year 2010-11 would be approximately \$850 million lower than the levels forecast in the amended Executive Budget Financial Plan.

In addition, based on the evaluation of preliminary, unaudited results for the State's 2009-10 fiscal year, DOB estimates that the size of the 2009-10 budget shortfall contributing to the 2010-11 budget gap increased to approximately \$1.6 billion, or \$160 million more than the \$1.4 billion estimated in the amended Executive Budget Financial Plan. The increase in the shortfall was due to lower than expected receipts in March 2010 from a tax penalty forgiveness program (\$215 million) that was enacted as part of a mid-year deficit reduction plan for 2009-10, offset by positive forecast revisions based on year-end results (\$55 million over two years).

The gap-closing plan continues to assume that the Federal government will extend, for six months, the temporary increase in the Federal Medical Assistance Percentage ("FMAP") originally authorized in the American Recovery and Reinvestment Act. However, based on current proposals in Congress and other information, DOB has reduced the estimated FMAP benefit in 2010-11 by approximately \$300 million. This estimated reduction is offset in part by anticipated additional Federal reimbursement of \$204 million in 2010-11 related to the Medicare Part D program, resulting in a net loss in recommended savings of \$96 million.

To maintain a balanced Executive Budget Financial Plan, the Governor on April 26, 2010 proposed an additional \$620 million in gap-closing actions for legislative consideration. The actions included reductions to existing programs, new revenues, and other resources. The total gap-closing plan proposed by the Governor now totals \$9.2 billion, consistent with the updated budget gap projected for 2010-11.

To carry the budget shortfall across the fiscal years, DOB directed the deferral of a planned payment to school districts (\$2.1 billion) and certain tax refunds (\$500 million). Both the school aid payment and the tax refunds were scheduled to be paid in 2009-10 but, by statute, are not due until June 1, 2010. Due to the foregoing deferral of school aid payment and tax refunds, the total amount of the deferrals exceeded the level of the budget shortfall in 2009-10. This greater deferral had the effect of increasing the closing balance in the General Fund for 2009-10 to \$2.3 billion, or \$929 million above the level projected in the amended Executive Budget Financial Plan. However, the higher closing balance is due exclusively to the cash management actions described above and does not represent an improvement in the State's financial operations. In early April 2010, the State paid the \$500 million in tax refunds that had been deferred from 2009-10 to 2010-11. The school aid deferred from 2009-10 has not yet been paid.

Status of Budget Negotiations

On March 17, 2010, the Legislature enacted the debt service appropriation bill, which includes appropriations for all existing and planned State-supported, contingent-contractual, and other debt obligations for the State's 2010-11 fiscal year, which began on April 1, 2010. The Legislature has not yet enacted the remainder of the annual budget for 2010-11.

In the absence of an adopted State budget for the current fiscal year, interim appropriation bills have been enacted weekly to provide for the payment of certain personal service costs, certain grants to local governments, and other items deemed necessary for legal or contractual reasons. The limited scope of interim appropriation bills is intended to help the State to maintain its cash position.

As in prior years when the State has not adopted a budget by April 1, DOB expects that the Governor will continue to submit, and the Legislature will continue to approve, interim appropriation bills to permit governmental operations to continue until a complete annual budget for 2010-11 is adopted. However, there can be no assurance that the Legislature will continue to approve interim appropriations. DOB expects that the Governor will propose budgetary measures to achieve annual savings in 2010-11 in future interim appropriation bills and as stand-alone legislative proposals.

Furloughs

The amended Executive Budget Financial Plan included a savings target of \$250 million from wage concessions to be negotiated with the unionized State Workforce. On May 10, 2010, the Governor submitted, and the Legislature approved, an interim appropriation bill, for the period of May 17 through May 23, which included a provision requiring furloughs equal to a 20 percent reduction in the work week for certain executive branch employees. However, on May 12, 2010, the U.S District Court for the Northern District of New York issued a temporary restraining order preventing the implementation of the furloughs, pending a final determination.

Cash Position

The State's cash position continues to be a significant concern. The amended Executive Budget Financial Plan, submitted on February 9, 2010, estimated that the General Fund would end June 2010 with a negative cash balance of \$777 million. The June 2010 closing balance in All Governmental Funds (the most comprehensive view of the financial operations of the State which includes the General Fund and funds specified for dedicated purposes, as well as Federal funds and capital projects funds) was estimated at \$1.2 billion. It was expected that the State would need to manage a very tight cash position throughout the first half of the 2010-11 fiscal year, until the significant savings recommended in the Executive Budget began to provide relief. At the time, however, it was expected that the State's Short-Term Investment Pool ("STIP") would generally have balances on hand to permit the State to meet payments as they came due.

However, the revenue revisions associated with the consensus forecast, the effect of the ongoing budget impasse, and the uncertainties surrounding the timing and content of an annual budget are expected to further weaken the State's cash position and increase the need for more extensive cash management actions. DOB currently estimates that, absent additional cash management actions, the State will not have sufficient cash on hand to make all the local assistance payments that are currently due on or around June 1, 2010, the largest of which is State aid to public schools. DOB anticipates that State payments scheduled for June 1, 2010 could exceed available funds, including STIP, by approximately \$1 billion. Furthermore, enactment of a budget for 2010-11 would not be expected to

materially improve the cash situation in early June 2010 due to the timetable for implementing any approved gap-closing measures. DOB anticipates that the cash situation will improve temporarily in the later part of the month, based on the expected timing of tax collections. Beyond June, DOB expects the State to continue to experience significant intermittent cash-flow difficulties, especially during the months of September and December 2010. It should be noted, however, that the estimate of daily cash needs for the coming months is subject to considerable variability and may be substantially affected by, among other things, actual receipts collections, the content of interim appropriation bills, and the content of an annual budget agreement.

In response to the cash situation, DOB expects to take one or more of the following cash management actions to maintain adequate operating margins: (1) recommend that payment dates for certain local assistance payments, including school aid, be amended to better match the flow of tax receipts, (2) further limit the scope of interim appropriations to the level supportable by estimates of available funds, or (3) use the budget director's certificate authority to limit payments as needed to ensure the orderly operation of government. DOB anticipates that such actions, if implemented, are likely to be sufficient to permit the State to make substantially all the payments scheduled for June 2010 by the end of the month.

The State continues to reserve money to make debt service payments through August 2010 that are financed with General Fund resources, and portions of debt service payments becoming due during this period have already been deposited with the respective trustees. DOB expects to continue this practice, regardless of the State's cash position. Sufficient cash to pay debt service on bonds secured by dedicated receipts, including PIT bonds, continues to be set aside as required by law and applicable bond covenants.

The State's ability to issue general obligation tax and revenue anticipation notes is limited by State law and bond covenants contained in the New York Local Government Assistance Corporation ("LGAC") bond resolutions. LGAC eliminated annual general obligation borrowing by the State for cash-flow ("seasonal") purposes, except in cases where the Governor and the legislative leaders (i) certify the need for additional seasonal borrowing, based on emergency or extraordinary factors, or factors unanticipated at the time of adoption of the budget, and (ii) provide a schedule for eliminating it over time. Pursuant to the LGAC statute and bond covenants, any general obligation seasonal borrowing is required to be eliminated by the fourth fiscal year after the limit was first exceeded. This provision limiting the State's seasonal borrowing practices was included as a covenant with LGAC's bondholders in the General Bond Resolution and General Subordinate Lien Bond Resolution authorizing such bonds. Apart from the LGAC provisions, general obligation tax and revenue anticipation notes for seasonal purposes may not be issued unless the State has adopted a balanced budget for the fiscal year. A statutory amendment to Section 67-b(3) of the State Finance Law would also be necessary to allow the issuance of short-term cash flow notes, since pursuant to the Debt Reform Act of 2000, State debt may only be issued for capital purposes.

Special Considerations

It is uncertain when an annual budget for the 2010-11 fiscal year will be adopted. DOB estimates that the Executive Budget recommendations, if enacted in their entirety, would leave projected budget gaps in the range of \$6 billion in 2011-12, \$11 billion in 2012-13, and \$13 billion in 2013-14. There can be no assurance that a budget, whenever adopted, will not materially increase the budget gaps that must be addressed in future years.

The savings estimates in the Executive Budget Financial Plan assumed the enactment of a budget by April 1, 2010. As a result of the budget impasse, certain proposals that were expected to begin generating additional revenues or savings in April 2010 have not yet been authorized. DOB estimates that the budget delay has reduced the Financial Plan benefit of these proposals (most of which would increase revenues) by approximately \$40 million to \$50 million through May 10, 2010. The cost of the budget delay is expected to continue to increase in future weeks, absent approval of gap-closing measures. Accordingly, DOB expects that the Governor will begin to include certain gap-closing measures proposed in the Executive Budget in interim appropriation bills and related legislation in the coming weeks. However, there can be no assurance that such gap-closing measures will be approved by the Legislature or that such measures will achieve savings at the levels projected in the amended Executive Budget Financial Plan. Any savings that are unrecoverable as a result of the budget delay will need to be financed by alternative gap-closing measures agreed to in an adopted budget.

Arbitration Related to Tobacco Master Settlement Agreement ("MSA")

Each year in perpetuity, under the MSA between tobacco manufacturers who are party to the MSA ("PMs") and 46 settling states, plus some territories and the District of Columbia, (collectively the "Settling States") the PMs pay the Settling States a base payment to compensate for financial harm to the Settling States for smoking-related illness. New York's allocable share of the total payment is approximately 12.8% of the total, or approximately \$800 million annually. In order to keep the base payment under the MSA, each Settling State must pass and diligently enforce a statute that requires tobacco manufacturers who are not party to the MSA ("NPMs") to deposit in escrow an amount roughly equal to the amount that the PMs pay per pack sold. The PMs have brought a nationwide arbitration against the Settling States (minus Montana) asserting that those States failed to diligently enforce their respective escrow statutes in 2003. Any such claim for the years prior to 2003 were settled in 2003. The PMs are making the same claim for years 2004-2006, but none of those years are yet in arbitration. Two of the panel of three arbitrators have been selected and it is anticipated that the third will be selected and the arbitration will actually begin sometime in the next several weeks.

[End of Supplement]

EXHIBIT C
TO
REPLY AFFIDAVIT
OF
FRANK MAURO

**STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
OFFICE OF OPERATIONS
DIVISION OF PAYROLL, ACCOUNTING, AND REVENUE SERVICES
BUREAU OF STATE ACCOUNTING OPERATIONS**

Comptroller's Monthly Report
On State Funds Cash Basis of Accounting
(Pursuant to Sec. 8(9-a) of the State Finance Law)

March 2010



**THOMAS P. DiNAPOLI
STATE COMPTROLLER**

STATE OF NEW YORK
 BUDGETARY BASIS - FINANCIAL PLAN AND ACTUAL
 STATE FISCAL YEAR ENDED MARCH 31, 2010
 FOR TWELVE (12) MONTHS ENDED MARCH 31, 2010
 (amounts in millions)

EXHIBIT D

	ALL GOVERNMENTAL FUNDS		
	Financial Plan (*)	Actual	Actual Over (Under) Financial Plan
RECEIPTS:			
Taxes.....	\$58,780	\$58,681.6	(\$98.4)
Miscellaneous Receipts.....	22,383	22,542.8	159.8
Federal Receipts.....	49,848	45,523.7	(4,324.3)
Total Receipts.....	131,011	126,748.1	(4,262.9)
DISBURSEMENTS:			
Local Assistance Grants.....	95,768	91,070.1	(4,697.9)
Departmental Operations.....	19,932	19,430.1	(501.9)
General State Charges.....	5,782	5,733.6	(48.4)
Debt Service.....	4,922	4,961.5	39.5
Capital Projects.....	6,734	5,682.2	(1,051.8)
Total Disbursements.....	133,138	126,877.5	(6,260.5)
Excess (Deficiency) of Receipts over Disbursements.....	(2,127)	(129.4)	1,997.6
OTHER FINANCING SOURCES (USES):			
Bond and Note Proceeds, net.....	470	448.3	(21.7)
Transfers from Other Funds.....	26,252	26,200.9	(51.1)
Transfers to Other Funds.....	(26,277)	(26,245.5)	(31.5)
Total Other Financing Sources (Uses).....	445.0	403.7	(41.3)
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses.....	(1,682)	274.3	1,956.3
Fund Balances (Deficit) at April 1.....	4,586	4,585.8	(0.2)
Fund Balances (Deficit) at March 31.....	\$2,904	\$4,860.1	\$1,956.1

(*) Source: DOB, 2010-11 Executive Budget with 21-day amendments dated February 9, 2010.

STATE OF NEW YORK
 BUDGETARY BASIS - FINANCIAL PLAN AND ACTUAL
 STATE FISCAL YEAR ENDED MARCH 31, 2010
 FOR TWELVE (12) MONTHS ENDED MARCH 31, 2010
 (amounts in millions)

EXHIBIT D
 (continued)

	GENERAL			SPECIAL REVENUE		
	Financial Plan (*)	Actual	Actual Over (Under)	Financial Plan (*)	Actual	Actual Over (Under)
			Financial Plan			Financial Plan
RECEIPTS:						
Taxes:						
Personal Income	\$22,364	\$22,654.7	\$290.7	\$3,420	\$3,408.8	(\$11.2)
Consumption/Use.....	8,229	8,150.7	(78.3)	2,054	2,030.6	(23.4)
Business.....	5,688	5,370.6	(317.4)	1,497	1,455.4	(41.6)
Other.....	953	885.4	(67.6)	1,173	1,227.7	54.7
Miscellaneous Receipts.....	3,508	3,823.6	315.6	14,599	14,490.8	(108.2)
Federal Receipts.....	68	70.6	2.6	47,236	43,378.5	(3,857.5)
Bond and Note Proceeds, net.....	—	—	—	—	—	—
Transfers From:						
PIT in excess of Revenue Bond Debt Service.....	7,512	7,641.0	129.0	—	—	—
Sales Tax in excess of LGAC Debt Service.....	2,134	2,122.8	(11.2)	—	—	—
Real Estate Taxes in excess of CW/CA Debt Service.....	143	181.5	38.5	—	—	—
All Other.....	2,113	1,654.7	(458.3)	7,082	7,218.2	136.2
Total Receipts.....	52,712	52,555.6	(156.4)	77,061	73,210.0	(3,851.0)
DISBURSEMENTS:						
Local Assistance Grants.....	35,515	34,234.1	(1,280.9)	59,009	55,395.3	(3,613.7)
Departmental Operations.....	8,562	8,587.5	25.5	11,296	10,792.0	(504.0)
General State Charges.....	3,794	3,593.8	(200.2)	1,988	2,139.8	151.8
Debt Service.....	—	—	—	—	—	—
Capital Projects.....	—	—	—	3	11.0	8.0
Transfers To:						
Debt Service.....	1,696	1,844.2	148.2	—	—	—
Capital Projects.....	514	565.4	51.4	—	—	—
State Share Medicaid.....	2,388	2,400.5	12.5	—	—	—
Other Purposes.....	818	976.9	158.9	5,855	5,317.5	(537.5)
Total Disbursements.....	53,287	52,202.4	(1,084.6)	78,151	73,655.6	(4,495.4)
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses.....	(575)	353.2	928.2	(1,090)	(445.6)	644.4
Fund Balances (Deficit) at April 1.....	1,948	1,948.5	0.5	2,846	2,846.4	0.4
Fund Balances (Deficit) at March 31.....	\$1,373	\$2,301.7	\$928.7	\$1,756	\$2,400.8	\$644.8

(*) Source: DOB, 2010-11 Executive Budget with 21-day amendments dated February 9, 2010.

STATE OF NEW YORK
 BUDGETARY BASIS - FINANCIAL PLAN AND ACTUAL
 STATE FISCAL YEAR ENDED MARCH 31, 2010
 FOR TWELVE (12) MONTHS ENDED MARCH 31, 2010
 (amounts in millions)

EXHIBIT D
 (continued)

	DEBT SERVICE			CAPITAL PROJECTS		
	Financial Plan (*)	Actual	Actual Over (Under)	Financial Plan	Financial Plan (*)	Actual Over (Under)
			Financial Plan			Financial Plan
RECEIPTS:						
Taxes.....	\$11,354	\$11,448.1	\$94.1	\$2,048	\$2,049.6	\$1.6
Miscellaneous Receipts.....	817	974.0	157.0	3,459	3,254.4	(204.6)
Federal Receipts.....	--	13.4	13.4	2,544	2,061.2	(482.8)
Bond and Note Proceeds, net.....	--	--	--	470	448.3	(21.7)
Transfers from Other Funds.....	6,605	6,645.4	40.4	663	737.3	74.3
Total Receipts.....	18,776	19,080.9	304.9	9,184	8,550.8	(633.2)
DISBURSEMENTS:						
Local Assistance Grants.....	--	--	--	1,244	1,440.7	196.7
Departmental Operations.....	74	50.6	(23.4)	--	--	--
General State Charges.....	--	--	--	--	--	--
Debt Service.....	4,922	4,961.5	39.5	--	--	--
Capital Projects.....	--	--	--	6,731	5,671.2	(1,059.8)
Transfers to Other Funds.....	13,795	13,956.0	161.0	1,211	1,185.0	(26.0)
Total Disbursements.....	18,791	18,968.1	177.1	9,186	8,296.9	(889.1)
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses.....						
	(15)	112.8	127.8	(2)	253.9	255.9
Fund Balances (Deficit) at April 1.....	298	298.1	0.1	(506)	(507.2)	(1.2)
Fund Balances (Deficit) at March 31.....	\$283	\$410.9	\$127.9	(\$508)	(\$253.3)	\$254.7

(*) Source: DOB, 2010-11 Executive Budget with 21-day amendments dated February 9, 2010.